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Message Text

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ACTION AF-10

INFO OCT-01 EUR-12 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01
CIAE-00 COME-00 DODE-00 EB-08 FPC-01 H-01 INR-07
INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-05 USIA-06
OES-07 SP-02 SS-15 STR-05 TRSE-00 ACDA-07 /113 W
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P R 270930Z SEP 77
FM AMCONSUL LUBUMBASHI
TO SECSTATE WASHDC PRIORITY 2203
INFO AMEMBASSY KINSHASA PRIORITY
AMEMBASSY LUSAKA
KUFHBS/AMEMBASSY BRUSSELS 667
AMEMBASSY PARIS

C O N F I D E N T I A L SECTION 1 OF 2 LUBUMBASHI 0825

E.O. 11652 GDS
TAGS: CG, ENRG
SUBJECT: SHABA'S PETROLEUM SUPPLY

REF: LUSAKA 2893

1.SUMMARY:
PETROLEUM STOCKS IN SHABA ARE NOW PROBABLY LOWERE THAN AT
ANY TIME IN THE PAST YEAR. ON SEPTEMBER 29,THE REFINERY
IN NDOLA , SHABA'S SOLE SOURCE OF DIESEL ,GASOLINE
AND JPI SINCE SINCE THE BENGUELA RAILROAD CLOSED, ISEXPECTED
TO SHUTDOWN FOR ABOUT SIX WEEKS OF ANNUAL MAINTENANCE. DURING
THIS PERIOD PETROZAIRE WILLATTEMPT FOR THE FIRST TIME TO
SUPPLY SHABA FROM MATADI OVER THE NATIONALE ROUTE. THE
COPPER MINING COMPANIES ARE THOUGHT TO HAVE SUFFICIENT
STOCK THAT THE LIKELY SHORTAGES WILL NOT AFFECT THEM. THE
ZAIRIAN MILITARY,THE RAILROAD,TRUCKERS AND SMALL
INDUSTRICIALS CONCERNS CUULD FACE SERIOUS PROBLEMS. BECAUSE
OF THE ELECTIONS MOST EFFORTS SEEM CONCENTRATED ON
KEEPING FUEL SUPPLIES FOR AUTOMOBILES AT HIGH LEVELS.
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THERE IS PRESENTLY NO STRATEGIC STOCK IN SHABA ALTHOUGH
PETROZAIRE IS TRYING TO ESTABLISH ONE FROMITS UPCOMING
SHIPMENTS. THE RAINY SEASON WILL BEGIN IN SHABA DURIN
THIS PERIOD WHEN PETROLEUM SUPPLIES ARE TIGHT. IF THE
FLNC CHOOSES THE BEGINNING OF THIS RAINY SEASON TO RENEW
THE SHABAN WAY, THE LOW LEVEL OF PETROLEUM STOCKS
AND UNAVAILABILITY OF QUICK REPLENISHMENTS

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FROM NDOLA COUD PRESENT SERIOUS DIFFICULTIES FOR ANY
ZAIRIAN MILITARY COUNTER OFFENSIVE.

2. PETROLEUM STOCKS IN SHABA ARE DESPERATELY LOW. AS OF
SEPTEMBER 26 PETROZAIRE IN LUBUMBASHI WHICH EXCEPT FOR
THE BIG MINING COMPANIES HAS THE ONLY IMPORTANT STORAGE
CAPACITY IN SHABA HAD ON STOCK 557 M3 OF DIESEL
57 M3 OF REGULAR, 237 M3 OF PREMIUM AND 474 M3 OF JP-1
THIS REPRESENTS ABOUT 2 DAYS STOCK OF DIESEL, 4 DAYS OF
GASOLINE,AND 10 DAYS OF JP1 STOCK-AT 1977 REDUCED
CONSUMPTION LEVELES.

3. THE US FMS CREDIT OF ABOUT ONE MILLION DOLLARS WHICH
WAS APPLIED AGAINST PURCHASES FROM ZAMBIA BEGINNING IN
AUGUST ACCOUNTS FOR MUCH OF WHAT LITTLE STOCK IS ON
HAND. THE FMS CREDIT PURCHASED APPROXIMATELY TWO WEEKS
SUPPLY OF PETROLEUM PRODUCTS(AT CURRENT CONSULTION
LEVELS) WAS WAS THE ONLY CREDIT FOR ABOUT A FOUR WEEK
PERIOD. AS A RESULT HHE US CREDIT PREVENTED THE
COMPLETE DEPLETION OF LOCAL STOCKS, BUT DID NOT PROVIDE
ANY NATICEABLE RELIEF TO THE CONTINUING PETROLEUM
CRISIS.

4. ON SEPTEMBER 29,THE SHELL/BP REFINERY IN
WHICH HAS BEEN SHABA'S ALMOST SOLE SOURCE OF PETROLEUM
PRODUCTS SINCE THE GENGUELA RAILROAD CLOSED, WILL
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SHUT DOWN FOR ABOUT SIX WEEKS OF MAINTENENCE. LAST
YEAR, PETROZAIRE OFFICIALS WERE ABLE TO INCREAS THEIR
STOCKS BEFORE THE REFINERY CLOSED. THIS YEAR,
HOWEVER, NO ADDITIONAL LETTERS OF CREDIT WERE CONFIRMED
WHICH WOUL ALLOW A SMILIAR BUILD-UP. PETROZAIRE
OFFICIALS AJAUZH ZEEKS ATTEMPTING A LAST MINUTE EFFORT
TO OBTAIN 1400 M3 OF EITHER REGULAR OR PREMIUM GAS FROM
NDOLA IN THE FINAL DAYS BEFORE THE SHUT DOWN. THEY ARE
NOT OPTIMISTIC ABOUT ITS AVAILABILITY BECAUSE ZAMBIAN
DEMAND IS EPECTED TO BE HIGH AT THIS TIME.

5. AS AN ALTERNATE SOURCE PETROZAIRE IS THIS YEAR FOR
THE FIRST TIME ATTEMPTING TO PROVIDE SOME PETROLEUM
SUPPLY FOR SHABA OVER THE NATIONAL ROUTE FROM MATADI.
PETROZAIRE (LUBUMBASHI HAS BEEN INFORMED THAT BETWEEN
SPETEMBER 28AND OCTOBER 7, BARGES CARRYING 2550 M3
OF DIESEL (10 DAYS SUPPLY) AND 4,000 M3OF GASOLINE
(TWO MONTHS SUPPLY) ARE SCHEDULED TO LAND AT ILEBO. IF
THE RIVER LEVEL IS SUFFICIENTLY HIGH SO THAT THE

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C O N F I D E N T I A L SECTION 2 OF 2 LUBUMBASHI 0825

SCHEDULE CAN BE MET AND THERE ARE NO PROBLEMS ON THE ACCIDENT-PRONE KASAI SECTION OF THE RAILROAD, SHABA CAN EXPECT RELIEF SUPPLIES ABOUT EIGHT DAYS AFTER THE BARGES LAND IN ILEBO. IT IS POSSIBLE THAT OTHER BARGE SHIPMENTS WILL BE ARRIVING AFTER OCTOBER 7, BUT THERE IS NO SCHEDULE AS YET. SHABA HAS NOT IN THE PAST BEEN ABLE TO IMPORT PETROLUEM PRODUCTS FROM MATADI, DESPITE THE LOWER PRICES THERE, BECAUSE OF THE SUPBWY LIMITATIONS ON THE TWO ANTIQUATED PIPELINES BETWEEN MATADI AND KINSHASA, THE HIGH CONSULPTION OF THE KINSHASA AREA AND THE INEFFICIENCIES AND LONG DELAYS ALONG THE NATIONAL ROUTE.

6. SHABA'S MAJOR EXPORT EARNERS, GECAMINES AND SODIMIZA, USING THIER OWN FREIGN EXCHANGE HAVE EACH BUILT UP ABUT A TWO MONTH STOCK FOR THEIR OWN NEEDS. THEIR PRODUCTIO SHOULD NOT BE AFFECTED BY THE EXPECTED SHORTAGES. THE RAILROAD AND MANY OF SHABA'S SMALLER INDUSTRIAL AND COMMERCIAL ENTERPRISES ARE EXPECTED TO BE HARD HIT BY THE SHORTAGES. NO NEW STOCKS OF JP1 ARE CONFIDENTIAL

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EXPECTED UNTIL OCTOBER 20 WHICH COULD HAVE A SERIOUS EFFECT ON AIR ZAIRE'S FLITHTS TO SHABA.

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7. THE ZAIRIAN MILITARY HAS NO SIGNIFICANT STPRAGE CAPACITY OF ITS OWN IN SHABA. IT IS DEPENDENT ON PETROZAIRE'S LUBUMBASHI STORAGE TANKS, THAT WHICH CAN BE CAJOLED FROM GECAMINES AND OTHER COMPANIES, AND THAT WHICH CAN BE COMMANDEERED FRM NEWLY ARRIVING SHIPMENTS. DURING THE SHABAN WAR THE MILITARY MAINTAINED A STRATEGIC STOCK IN LUBUMBASHI, BUT ACCORDINT TO PETROZAIRE THERE IS NONE LEFT. ABOUT 10 DAYS AGO LOCAL AUTHORIITIES PROVIDED PETROZAIRE WITH THEIER LATEST REQUEST FOR TWO SEPARATE STRATEGIC STOCKS THEY WANTED ESTABLISHED. THE FIRST FOR THE MILITARY OF 500 M3 OF DIESEL , 500M3 OF GASOLINE AND 500 M3 OF JP1, AND THE SECOND FOR THE OCTOBER ELECTIONS OF 280 M3 OF DIESEL AND 100 M3 OF GASLOINE. PETROZAIRE UNDER PRESSURE FROM CONSUMERS WHOSE FACTORIES STOP OPERATIONS WHEN THEY DO NOT RECEIVE THEIR PETCBLEUM ALLOCATIONS, IS GOING TO ATTEMPT TO PUT ASIDE ABOUT 50PERCENT FROM THE FIRSTSHIPMENT TO BUILD UP THESE STRATEGIC STOCKS. NOBODY IS CERTAIN HOW THE STRATEGIC ELECTION STOCK WILL BE USED, BUT THE AUTHORITIES SEEM TO BE PLANNING TO HAVE AVAILABLE HIGHER SUPPLIES OF GASOLINE FOR AUTOMOBILES DURINGTHE ELECTION THAN DURING THE PREVIOUS MONTHS.

8. THE PETROLEUM SITUATION IN SHABA IS PROBABLY MORE ACUTE NOW THAN AT ANY TIME IN THE PAST YEAR.SOME RELIEF IS EXPECTED ABOUTTHE BEGINNINGOF THE SECONDWEEK IN OCTOBER, BUT THERE IS ANO ASSURANCE THAT THE LONG SUPPLY ROUTE FROM MATIDI WILL BE ABLE TO REPLACE OUT NDOLA PURCHASES UNTIL NOVEMBER 15 WHEN NDOLA REFINERY IS CONFIDENTIAL

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EXPECTED TO BE OPERATING AGAIN. THE SHORTAGES BEWEEN OCTOBER 1 AND NOVEMBER 15 COULD BE CRITICAL FOR SHABA ALL ESTIMATES ON A POSSIBLE RECURRNCE OF THE SHABAN WAR POINT TO THE BEGINING OF THE COMING RAINY SEASON AS A LIKELY TARGET DATE. THE RAINS ARE EXPECTED TO HAVE BEGUN THROUGHOUT SHABA BY THE END OF OCTOBER. IN THE FLNC AND THEIR ALLIES LAUNCH AN ATTACK ON SHABA DURING THE COMING SIX WEEKS, PETROLEUM PROBUCTS ESPECIALLY DIESEL AND JP1 ARE LIKELY TO BE IN VERY SHORT SUPPLY. IF THE WAR BEGINS AGAIN A DELEGATION WILL NOT BE ABLE TO VISIT NDOLA TO OPEN THE CHANNELS FOR AN EMERGENCY TRANSPORTATION AS OCCURRED LAST MARCH.

SHIPMENTS FROM KINSHASA WHICH ARE EPXECTED TO TAKE ABOUT THREE WEEKS TO REACH SHABA ARE DEPENDENT ON HIGH WATER LEVELS ON THE KASAI RIVER AND NO BREAKDOWNS

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ALONG THE RAILROAD. THE SIX WEEKS PERIOD UNTIL THE
REFINERY AT NDOLA IS AGAIN OPERATIONS COULD PRESENT
SERIOUS DIFFICULTIES.
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